

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Order
Motion to Conduct a Comprehensive Examination of
Investor Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying and Dynamic
Rates, and Other Statutory Obligations.

Rulemaking 12-06-013
(Filed June 21, 2012)

**DECISION GRANTING COMPENSATION TO THE UTILITY CONSUMERS'
ACTION NETWORK FOR SUBSTANTIAL CONTRIBUTION TO
DECISIONS D.14-06-029 AND D.15-07-001**

Intervenor: Utility Consumers' Action Network (UCAN)	For contribution to Decision (D.) 15-07-001 (Phase 1) and D.14-06-029 (Phase 2)
Claimed: \$336,900.64	Awarded: \$312,886.20 (reduced 7.1%)
Assigned Commissioner: Michael Picker	Assigned ALJ: Julie M. Halligan

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	<p>D.15-07-001 (Phase 1 decision) reforms California's presently structured tiered residential rates, and implements Default Time-Of-Use (TOU) pricing in 2019. For the tiered residential rate reforms the decision reduces the number of tiers and the differential between the tiers for the residential customer classes for SDG&E, PG&E and SCE. The decision sets a path for the utilities to gradually reach the end state of tiered rate reform while seeking to avoid rate shock. The decision also establishes a date for California to move to Default TOU pricing structure, 2019. The Decision sets a path to have opt-in TOU pilots be conducted between now and 2018 to learn as much as possible regarding customer reactions to TOU pricing, a default TOU pilot in 2018, and the rollout of utility wide default TOU pricing for the residential class by 2019.</p> <p>In D.14-06-029, decided June 19, 2014 (the Phase 2 decision) the Commission adopted a settlement agreement which set a formula for summer 2014 rates for interim</p>
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	residential rates pending a resolution in Phase 1 on residential rate design proceeding for SDG&E, PG&E and SCE.
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	March 14, 2014	Verified
2. Other specified date for NOI:		
3. Date NOI filed:	April 14, 2014	Verified
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.14-11-003	Verified
6. Date of ALJ ruling:	March 2, 2015	Verified
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.14-11-003	Verified
10. Date of ALJ ruling:	March 2, 2015	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.15-07-001 (Phase 1) and	Verified
	D.14-06-029 (Phase 2)	Verified
14. Date of issuance of Final Order or Decision:	July 13, 2015 (Phase 1) and	Verified
	June 19, 2014 (Phase 2)	Verified
15. File date of compensation request:	September 11, 2015	Verified

16. Was the request for compensation timely?	Yes
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C. Additional Comments on Part I:

#	Intervenor's Comment(s)	CPUC Discussion
1	UCAN's compensation claim is being made for substantial contributions for the decision D.15-07-001 (Phase 1) as well as for the interim decision D.14-06-029 (Phase 2).	The Commission accepts this assertion.

PART II: SUBSTANTIAL CONTRIBUTION**A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
UCAN became a party to this proceeding shortly after AB 327 became law and when this proceeding was reclassified as ratesetting. In both Phase 2 when the Commission examined and set tiered rate reforms on an interim basis for summer 2014 and beyond, and then later in Phase 1, UCAN advocated for positions that advanced reasonable tiered rate reforms, supported default TOU, and tried to mitigate customer bill impacts to protect ratepayers from Rateshock.	<p>SDG&E's proposal will likely result in rate shock and increase rates by an excessive amount, something the ACR hopes to avoid. SDG&E has proposed an interim rate that yields a significant increase to tier 1 customers now, with the knowledge that there are rate increasing coming in 2014. These rate increases will be allocated to the lower tiers first, unfairly and excessively burdening the small residential customer in the interim year, precisely what the ARC cautioned against.</p> <p>UCAN protest on Phase 2 at page 2</p> <p>UCAN's "main priorities in the 2014 interim rate at least are to focus on keeping the bill impacts gradual."</p> <p>UCAN Phase 2 opening testimony at page 17.</p> <p>Our main priorities in the 2014 interim rate at least are to focus on keeping the bill impacts gradual.</p> <p>UCAN Phase 2 testimony at page 17</p> <p>However, ORA, TURN, UCAN and SDCAN each filed testimony in response to the simplified Phase 2 Proposal. The intervenors expressed concern</p>	Verified. As stated D.14-06-029 at 40, "The SDG&E Settlement reflects issues raised in UCAN's testimony."

	<p>regarding impacts on lower tier customers and the potential for rate shock associated with SDG&E's proposal to quickly approach a two-tiered rate structure.</p> <p>(D.14-06-029 at page 38)</p>	
<p>Phase 2 issues and substantial contributions</p> <p>UCAN, along SDG&E and several other parties joined in a settlement of Phase 2 issues setting a gradual readjustment and flattening of the tiered rate pending a decision in Phase 1.</p> <p>SDG&E's proposal contained several contested elements which the settlement did not adopt. The settlement did not change the number of tiers, or add a fixed monthly service fee or change any baseline quantities.</p> <p>UCAN argued that SDG&E had to take into account pending rate</p>	<p>On March 28, 2014, SDG&E, ORA, TURN, UCAN, SDCAN, and CCUE filed a Joint Motion for Adoption of Settlement Agreement for Phase 2 Interim Residential Rate Design Changes for SDG&E.</p> <p>D.14-06-029 at page 8</p> <p>The SDG&E Settlement does not change the number of usage tiers or the structure of the FERA or medical baseline programs. It does not include a fixed customer charge and it does not change the current baseline quantities. The SDG&E Settlement does change the differentials between tiers.</p> <p>D.14-06-029 at page 57</p> <p>Given the AC Ruling and AB 327 directives it is more critical to have gradual increases in the lower tiers to avoid rate shock . . .</p> <p>(UCAN Phase 2 testimony at page 16)</p> <p>We find that the PG&E Settlement, the SCE Settlement, and SDG&E Settlement represent reasonable compromises of each of the settling parties' respective positions.</p> <p>D.14-06-029 at page 42</p> <p>The SDG&E Settlement also reflects compromise by the settling parties.</p> <p>Settlement provides that non-CARE Tier 1 rates change at a level of RAR plus 2% (but in no event less than 7%) while non-CARE Tier 2 rates change at a level of RAR plus 4%.</p>	<p>Verified.</p>

<p>increases when evaluating if Tier 1 should be increased, and if so, by how much.</p> <p>UCAN's concern with SDG&E's proposal concerned lack of gradualism and avoiding rate shock</p> <p>UCAN argued that the Climate Credit should be excluded from CARE rate re-calculations:</p>	<p>D.14-06-029 at page 43</p> <p>UCAN stated that SDG&E's proposal results in excessive bill impacts for the lower tiers, particularly Tier 1. For example, UCAN's testimony identified the need to take SDG&E's substantial pending rate increase into account when evaluating whether to increase Tier 1 rates by an additional 1 cent. The SDG&E Settlement reflects issues raised in UCAN's testimony.</p> <p>D.14-06-029 at page 40</p> <p>UCAN argued that the Climate Credit should not be included in the CARE effective discount.</p> <p>D.14-06-029 at page 19</p> <p>The California Climate Credit is a credit to each residential ratepayer, regardless of amount of electricity used, and the IOUs are simply the instrument chosen by the State of California to provide those funds to its citizens.</p> <p>UCAN phase 2 reply brief at page 2</p> <p>Conclusions-of-Law</p> <p>13. Although an on-bill credit is used to return the Climate Credit to residential customers, the Climate Credit should not be considered a reduction in the individual customer's electricity bill.</p> <p>14. For calculation of the CARE effective discount, the Climate Credit must be excluded.</p> <p>15. For calculation of bill impacts of proposed rates in this proceeding, the Climate Credit should be excluded.</p> <p>D.14-06-029, Conclusion-of-Law 13, 14 and 15</p>	
<p>Phase 1 issues and substantial contributions</p> <p>In D.15-07-001 the Commission adopted positions on issues that</p>	<p>UCAN's priority in this proceeding is to encourage the Commission to support default TOU as an end state of the residential rate redesign process. UCAN is a strong proponent of the goals and potential benefits of California adopting a default TOU pricing structure for residential customers.</p> <p>(Reply Brief at page 4)</p>	<p>Verified.</p>

<p>were supported by UCAN's advocacy and testimony.</p> <p>UCAN supported the Commission's examination of Default TOU noting that TOU rates are more efficient than tiered rates.</p> <p>UCAN provided sound economic and policy support for the Commission's conclusions of the benefits of TOU as compared to tiered rates.</p>	<p>UCAN also supports a tiered rate design that would transition SDG&E's rate structure towards a flatter design to reduce cross subsidies while simultaneously protecting customers from significant adverse bill impacts.</p> <p>(Reply Brief at page 4)</p> <p>UCAN is a strong supporter of the concept of defaulting residential customers into a TOU rate structure.</p> <p>(Opening brief at page 33)</p> <p>TOU rates are both efficient and equitable to all customers, large or small.</p> <p>(Opening brief at page 33)</p> <p>UCAN provided the following chart, which concludes that a TOU rate meets the Rate Design Principles (RDP) better than a tiered rate. (D.15-07-001 at page 86)</p> <table border="1"> <thead> <tr> <th>CPUC's Ten Ratemaking Principles</th><th>Tiered Rate</th><th>TOU Rate</th></tr> </thead> <tbody> <tr> <td>1. Low-income and medical baseline customers should have access to enough electricity</td><td>Y*</td><td>Y*</td></tr> <tr> <td>2. Rates should be based on marginal cost</td><td>N **</td><td>Y</td></tr> <tr> <td>3. Rates should be based on cost-causation principles</td><td>N***</td><td>Y</td></tr> <tr> <td>4. Rates should encourage (1) conservation and (2) energy efficiency</td><td>Y/N</td><td>Y/Y</td></tr> <tr> <td>5. Rates should encourage reduction of both (1) coincident and (2) non-coincident peak demand</td><td>N/N</td><td>Y/Y</td></tr> <tr> <td>6. Rates should be (1) stable and (2) understandable</td><td>Y/N/N</td><td>Y/Y/Y</td></tr> </tbody> </table>	CPUC's Ten Ratemaking Principles	Tiered Rate	TOU Rate	1. Low-income and medical baseline customers should have access to enough electricity	Y*	Y*	2. Rates should be based on marginal cost	N **	Y	3. Rates should be based on cost-causation principles	N***	Y	4. Rates should encourage (1) conservation and (2) energy efficiency	Y/N	Y/Y	5. Rates should encourage reduction of both (1) coincident and (2) non-coincident peak demand	N/N	Y/Y	6. Rates should be (1) stable and (2) understandable	Y/N/N	Y/Y/Y	
CPUC's Ten Ratemaking Principles	Tiered Rate	TOU Rate																					
1. Low-income and medical baseline customers should have access to enough electricity	Y*	Y*																					
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6. Rates should be (1) stable and (2) understandable	Y/N/N	Y/Y/Y																					

	and (3) provide customer choice		
	7. Rates should generally avoid cross-subsidies, unless the cross-subsidies appropriately support explicit state policy goals	Y****	Y
	8. Incentives should be explicit and transparent	Y*	Y*
	9. Rates should encourage economically efficient decision-making	N	Y
	10. Transitions to new rate structures should (1) emphasize customer education and outreach that (2) enhances customer understanding and acceptance of new rates, and (3) minimizes and appropriately considers the bill impacts associated with such transitions	Y/Y/Y *****	Y/Y/Y *****
UCAN advocated for a restructuring of the tiered rate to more align rates with costs, yet with enough time (extended timeline) to mitigate adverse customer bill impacts.	UCAN describes inclining block rate as achieving conservation through “brute force.” (D.15-07-001 pages 101-102)		
	Limitations of Tiered Rates. When tiered rates are designed to support specific policies, they have limited ability to meet other RDP such as understandability and cost-causation. As UCAN bluntly states, “[i]nefficient, above-cost pricing is deceptive and forces customers to conserve or pay excessive costs without ever revealing what energy actually costs.” D.15-07-001 at pages 104-105		
	51. Tiered rates (inclining block rates) result in a potential subsidy from high-use customers, who pay more than the average cost of energy services, to low use customers, who pay less than the average cost of energy services.		

<p>The Commission adopted a two tiered residential rate with a mild 1.25 to 1 tier differential and directed the IOUs to explore more direct incentives to encourage conservation, consistent with UCAN's positions.</p> <p>To incent conservation, UCAN argued tiered rate reform should have a 1.3 to one tier differential (or 1.2 to 1 with a program of direct incentives to incent conservation)</p>	<p>D.15-07-001, Finding-of-Fact #51</p> <p>UCAN also supports redesigning the current tiered rate structure to achieve rates “that are efficient, cost-based and fair to all customers” (D.15-07-001 at page 105)</p> <p>In addition to the three utilities, ORA, UCAN, and IREC support two tiers. (D.15-07-001 at page 106)</p> <p>UCAN supports a tier differential on 1.2 to 1 with a robust direct incentive program supporting conservation, solar and energy efficiency or a 1.3 to 1 differential without direct incentives.</p> <p>UCAN reply brief at page 12</p> <p>A flatter but more cost-aligned tiered rate needs a program of direct incentives to support the conservation principle while the cross subsidy issue is being resolved</p> <p>UCAN reply brief at page 7</p> <p>We find that a residential rate structure with at least two tiers and a moderate differential should be available to residential customers. (D.15-07-001 at page 106)</p> <p>Several parties, such as ORA and UCAN, find the 1.2:1 ratio acceptable, but argue that it may take a longer than 2018 to reach this differential. UCAN also recommends the 1.2:1 ratio only if it is paired with a program of direct incentives for conservation. (D.15-07-001 at page 109)</p> <p>58. Steeply tiered rates are not the most economically efficient method for encouraging customers to invest in energy efficiency improvements or rooftop solar. (D.15-07-001, Finding-of-Fact #58)</p> <p>62. To the extent tiered rates may promote energy efficiency or conservation, a mild differential between two tiers is sufficient to maintain a conservation signal. (D.15-07-001, Finding-of-Fact #62)</p>	
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<p>UCAN provided policy support to conclude that a lower tier differential coupled with a robust program of direct incentives would better meet the rate design principles than a steep tier differential</p>	<p>70. A mild differential between tiers is closer to average cost to serve than a steep differential. (D.15-07-001, Finding-of-Fact #70)</p> <p>72. A 25% tier differential is mild. (D.15-07-001, Finding-of-Fact #72)</p> <p>UCAN noted in briefing that three interdependent steps are necessary to maximize the results sought under AB327</p> <p>The first step is to create a tiered rate structure that is relatively flat, e.g., to a tier differential of 20 percent, to be better aligned with costs (Principles 2 and 3). . .</p> <p>The second step is a robust conservation program of direct incentives which would be both explicit and transparent (Principle #8) to encourage conservation and efficiency (Principle # 4) to be available to both large and small energy users (upper and lower tier) equally because of the flatter tier structure and as a choice (Principle #6) along with accurate prices in the tiered rate (Principle #3, 7 and 9)</p> <p>The third step is to migrate customers when possible to a default TOU rate structure which encourages economically-efficient decisions by customers (Principle #9) . . .</p> <p>UCAN reply brief at page 6</p> <p>Findings-of-Fact</p> <p>37. A two-tier rate structure, with a composite first tier, and a tier convergence glide path between 2015 and 2019 no steeper than is necessary to reach a tier differential of 1:1.25 in 2019 and a SUE surcharge that begins in 2017 and is set at 1:2.19 in 2019, is reasonable and should be approved. (D.15-07-001, Finding-of-Fact #37)</p> <p>77. A two-tier rate with a 1:1.25 differential and a SUE Surcharge meets statutory requirements and is consistent with the RDPs. (D.15-07-001, Finding-of-Fact #77)</p> <p>In this proceeding we direct the IOUs to continue to</p>	
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	explore direct incentives for energy efficiency and conservation. (D.15-07-001 at page 246)	
UCAN also supported a fixed customer charge. While the Commission declined to adopt the modified charge UCAN proposed at this time, it did note that the charge could be reasonable.	<p>UCAN acknowledges that “introducing a customer charge, though a reasonable way to recover customer-related costs, could still be ill-timed when SDG&E’s low-usage customers’ bills are increasing so rapidly over the next four years...” (D.15-07-001 at pages 216-217)</p> <p>16. A well-designed fixed charge representing a portion of the fixed customer related costs to serve the individual residential customer could be reasonable. D.15-07-001, Conclusion-of-Law #16</p> <p>17. Adopting a fixed charge at the same time as customers are also facing significant rate impacts associated with tier flattening would be inconsistent with our statutory duty to ensure reasonable rates. D.15-07-001, Conclusion-of-Law #17</p> <p>18. A fixed charge should not be implemented until after the tier collapse is complete and after default TOU has been implemented. D.15-07-001, Conclusion-of-Law #18</p>	Verified.
As the Commission is permitting the IOUs to submit a customer charge in their 2018 Rate Design Window (RDW) application if they chose, consistent with UCAN’s position, the Commission did order an examination of the methodology to determine the amount of a fixed customer charge in the next GRC phase 2 proceeding.	<p>Several parties including ORA, TURN, UCAN and IREC disagree with the IOUs’ proposed methodologies for calculation of fixed customer costs. These parties maintain that customer-specific costs should only include maintaining or replacing the meter, billing, customer accounts, and customer service and that it is inappropriate to include any load-carrying or demand-related costs in a fixed cost methodology (D.15-07-001 at page 204)</p> <p>The calculation method of the fixed customer charge should be addressed in Phase 2 of each utility’s General Rate Case (GRC) where the best method for removal of demand-related costs from the marginal customer cost calculation should be determined.(UCAN PD comments at page 5)</p> <p>20. As part of their next GRC Phase 2 (or, in the case of SDG&E, the currently pending GRC), each utility may submit testimony identifying and calculating</p>	

<p>UCAN also advocated that should the Commission adopt a fixed customer charge that the revenue must be used to reduce tier one rates.</p>	<p>marginal customer costs D.15-07-001, Conclusion-of-Law #20</p> <p>To be fair and equitable to all customers, the revenues recovered in the customer charge must be used to reduce Tier 1 prices. (UCAN opening brief at page 23)</p> <p>We do however, resolve treatment of fixed charge revenues in the event a fixed charge is included in a default tiered rate, or in the alternate tiered rate available once TOU has become the default rate. As UCAN and other parties have argued, revenues should be used to offset Tier 1 rates. (D.15-07-001 at page 217)</p>	
<p>UCAN helped put together a 10 party joint exhibit advocating for a default TOU pilot and hearings before implementing statewide default TOU. While the Commission did not agree with the 10 parties' timeline to delay default TOU rollout until after our proposed pilot, (see Conclusion-of-Law #48) it did agree that a default pilot was necessary.</p>	<p>There is simply not enough information for the utilities to act prudently in implementing a default TOU program. The utilities need to learn from a default TOU pilot first before implementing utility wide default TOU for residential customers. (UCAN's opening brief at page 37)</p> <p>... there are benefits to default TOU pilots, we require each IOU to include a default TOU rate in its design of pilots approved by this decision. (D.15-07-001 at page 170)</p> <p>The purpose of this default TOU pilot will be primarily to study aspects of TOU that are directly impacted by the self-selection bias, and to fine-tune customer education and test system operability prior to full rollout of default TOU. (D.15-07-001 at page</p>	<p>Verified.</p>

	<p>170)</p> <p>We agree with ORA that the record does not reflect any basis for delaying default TOU past 2018. Additional procedural steps are necessary, however, before default TOU rates can be employed. Based on this, we find that default TOU rates should begin in 2019 (D.15-07-001 at page 172)</p> <p>The IOUs must file a residential rate design window (Residential RDW) application no later than January 1, 2018 that proposes default TOU rate structure to begin in 2019, assuming that the statutory conditions have been met. (D.15-07-001 at page 5)</p>	
<p>UCAN advocated for extending the transition path of tiered rate reform from an endstate in 2018 to an endstate in 2020 to help gain customer acceptance, mitigate customer bill impacts and to help prepare for the roll out of Default TOU. Consistent with UCAN's reasoning, the Commission did extend the timeline, but only for 1 year not 2 to 2019 to help mitigate rate shock.</p>	<p>UCAN has proposed extending SDG&E's transition path an extra two years. (UCAN opening brief at page 13)</p> <p>UCAN's position is that to lessen customer bill impacts on low use customers, and to account for unexpected revenue increases (of more than 2.1%) building into the transition an extra two years is sound and prudent. (UCAN's opening brief at page 19)</p> <p>UCAN contends that adding two additional years to the glide path (and applying any fixed charge to Tier 1 only), would improve customer acceptance of the rate changes. (D.15-07-001 at page 292)</p> <p>UCAN and ORA argued that the glide path towards tier flattening should be slower to avoid rate shock. The statute does not require a set timeline. Because this decision makes flattening of tiered rates the first step in rate reform, and holds other reforms until after tier flattening is completed, we believe that 2019 is an appropriate target for tier flattening. (D.15-07-001 at page 270)</p> <p>78. To minimize the rate shock, the transition from the current four-tiered rates must be gradual. (D.15-07-001, Finding-of-Fact #78)</p> <p>79. A longer transition period would allow more time for the tiers to be combined and narrowed. (D.15-07-</p>	<p>Verified.</p>

	001, Finding-of-Fact #79) 82. The transition period to an end-state of two tiers at 1:1.25 and a SUE Surcharge at 1:2.19 should extend to 2019. (D.15-07-001, Finding-of-Fact #82)	
UCAN also provided testimony and support to reduce the SDG&E's baseline credit to the legal minimums of 50%	<p>... moving the baseline allowance to the legal minimum seems reasonable. (UCAN's opening testimony at page 32)</p> <p>UCAN supports the decision to reduce the current baseline allowances in each climate zone to the legal minimum to expose more energy to the upper tier price. (UCAN's opening testimony at page 32)</p> <p>UCAN and other parties acknowledge that because SDG&E's Tier 1 will include up to 130% of baseline it is reasonable to have a lower baseline. Therefore, we approve SDG&E's proposal to reduce the baseline to 50% concurrent with the consolidation of Tiers 1 and 2. (D.15-07-001 at page 296)</p>	Verified.

B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified
c. If so, provide name of other parties: UCAN had some overlapping issues with TURN, SEIA, Vote Solar, TASC, EDF, Sierra Club, NRDC, C4AT, CCUE and IREC		Verified
d. Intervenor's claim of non-duplication: Given the scope of this proceeding and the number of issues examined UCAN's position at various times overlapped		Verified.

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>with other intervenors. However, throughout the proceeding UCAN advocated positions that were either unique or were supportive of another party's showing.</p> <p>On Phase 2 concerning interim rate reform in advance of summer 2014, UCAN focused on SDG&E's proposal. UCAN was concerned about the speed SDG&E sought to reform the rates prior to summer 2014 and we were especially concerned about rate shock especially given the number of rate increases SDG&E customers were experiencing in 2014. In the settlement more modest rate increases were approved by the Commission that significantly reduced lower tier adverse customer bill impacts.</p> <p>On Phase 1, UCAN focused primarily in this proceeding on SDG&E's proposal, however, most the issues examined affected all three utilities. SDG&E also was the only IOU in this proceeding to initially support moving to default TOU.</p> <p>Of the major issues in this proceeding including the customer charge, the methodology to determine the charge, the number of tiers and how to reduce them, the tier rate differential, support for default TOU, reducing the baselines to minimum levels allowed by statute, and extending the timeline to the tiered rate reform end state UCAN advanced positions that were mostly unique and in many instances seriously contested by the other intervenors in the case. For example, for the tiered rate reforms UCAN sought a 2 tiered rate with a differential of 1.2 to 1 with direct incentives. ORA sought a two tier rate closer to 1.4 to 1 with no mention of direct incentives and TURN asked for a 3 tiered rate with significantly larger tier differentials than UCAN was seeking. On default TOU, on the customer charge, on the transition timeline and for most other issues some parties may have had elements of their proposals that mirrored aspects of UCAN's presentation but for the most part UCAN's proposals were unique.</p>	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§ 1801 and § 1806):

a. Intervenor's claim of cost reasonableness:	CPUC Discussion
<p>In this proceeding, opened in 2012, parties examined multiple issues of residential rate design and the residential rate structure for PG&E, SCE and SDG&E. The issues in this case cut across all utilities and will affect all of California's residential customers.</p> <p>In response to AB327, passed by the legislature in October 2013 the Commission was mandated to review the residential rate structure in place in California. Shortly after the legislation passed in an Assigned Commissioners Ruling, a Phase 2 of this proceeding was opened to consider interim residential rate reform prior to Summer 2014.</p> <p>UCAN participated in this phase and submitted motions, comments, testimony, and briefs. Ultimately this phase settled and UCAN was one of</p>	<p>Verified.</p>

the signatories on the settlement.

In Phase 1 of this proceeding (which was litigated after phase 2) the Commission examined multiple complex issues affecting all residential ratepayers in California.

UCAN participated in both Phase 1 and Phase 2 of this proceeding offering prepared expert testimony for each phase, in addition UCAN also authored motions, briefs and reply briefs, comments and reply comments. UCAN also offered a unique perspective from the other intervenors in this case. UCAN's costs incurred for this very important and very long proceeding are reasonable.

Unique Travel Expenses:

UCAN is based in San Diego and UCAN's representative has appeared several times in person at the Commission in this proceeding. As can be seen from our travel receipts and time sheets, sometimes UCAN's representative, Mr. Kelly, flew into San Francisco and sometimes he flew into San Jose and rented a car.

Mr. Kelly's parents live in Santa Clara, and on the many occasions Mr. Kelly is required to be at the Commission on consecutive days (and in an effort to save money for hotel costs), Mr. Kelly will stay with his parents in Santa Clara and rent a car and commute to the Commission.

When appropriate UCAN's travel time and our expenses are divided between cases. For the many times when Mr. Kelly traveled to the Commission for this proceeding, often times he would try to attend to more business for other cases as well. So for example, in April of 2015 our timesheets indicate that Mr. Kelly was at the Commission for 3 consecutive days for three separate cases, including this proceeding, so we are asking for 1/3 of the costs incurred for flight and car rental.

UCAN is not asking for reimbursement for lodging or for the Commute time from Mr. Kelly's parents' home in Santa Clara to or back from the Commission.

Expert travel expenses

As can be seen from UCAN's travel expense, UCAN is asking for reimbursement for \$2,314.56 for UCAN's expert travel costs. UCAN's expert, David Croyle is disabled with severe back pain. He cannot fly, and sitting up for any length of time puts pressure on his spine and causes further pain. He walks with a walker and often with great difficulty.

The only way that UCAN could think of to transport Mr. Croyle to San Francisco so that he was both not in pain for the trip and was in a condition to be able to testify was to rent an RV so that Mr. Croyle could lay down during the drive. Mr. Croyle's testimony was scheduled for Monday November 17, 2014 and he suggested that to give himself enough time to recover from the journey that he arrive in SF on Saturday. Mr. Croyle finished his testimony on Monday and left San Francisco on Tuesday the 18th. Mr. Croyle therefore had hotel expenses for 3 days in San Francisco

There is also an airfare for Mr. Kelly booked to fly to San Diego on November 13,

<p>returning on November 19 2014. This flight was booked so Mr. Kelly could fly to San Diego, rent the RV and drive Mr. Croyle to the Commission on Saturday November 15, 2015, and then after driving back to San Diego on November 18, 2014 fly back and return for the remainder of the hearings</p> <p>Because Mr. Croyle's expertise is in rate design, and despite Mr. Croyle's disabilities and hardships in traveling, UCAN felt that Mr. Croyle was invaluable and the best qualified expert to use for this proceeding. UCAN did not want to exclude someone we believed to be the most qualified expert to use just because he was disabled, and we felt that the Commission's record in this proceeding would be enriched because of the unique issues raised by UCAN, largely based on Mr. Croyle's testimony. In fact, Mr. Croyle's testimony was cited by the Commission in their decision in this case. (For one example - see section II A above).</p> <p>Given that UCAN did not incur any lodging expenses for Mr. Kelly during this proceeding and given that the reasonable accommodations UCAN provided to Mr. Croyle for his disability, UCAN asks that the Commission reimburse us for these travel expenses.</p>	
<p>b. Reasonableness of hours claimed:</p> <p>As noted above this proceeding involved the redesign of California's residential electric rates. UCAN relied on Mr. Croyle extensively for his expertise in this area. In several instances in his timesheets Mr. Croyle and Mr. Kelly consulted but only Mr. Kelly billed for these conferences. In other instances UCAN's timesheets reference brief and or comment preparation for both Mr. Croyle and Mr. Kelly. UCAN's attorney in preparing briefs and comments relied on Mr. Croyle's expertise in fashioning issues and arguments for submission. UCAN's presentation was truly a collaborative effort between Mr. Croyle and Mr. Kelly.</p> <p>In this case UCAN is billing for Mr. Kelly's attorney time 405.25 and for expert time for David Croyle, 697 hours</p> <p>By Phase UCAN is billing 59.75 hours for Mr. Kelly and 128 hours for Mr. Croyle for Phase 2; and 348 hours for attorney hours and 569 for expert witness hours for Phase 1.</p> <p>In comparison to the total number of issues covered, the importance and scope of this proceeding, and the claims by the other intervenors, UCAN's hours expended are reasonable</p> <p>For October 21, 2014 and October 22, 2014 Mr. Croyle is asking for 9 hours of time as he helped prepare lines of cross examination for the multiple witnesses in this proceeding. Unfortunately, the time was not contemporaneously documented, however, Mr. Croyle does have the cross examination exhibits he prepared and from memory is estimating it took substantially more time to prepare the documents than he has listed here. The 9 hours, and the explanation for those 9 hours are highlighted in Mr. Croyle's time sheets.</p>	<p>Verified.</p>

<p>UCAN is also asking for 27.25 hours for Mr. Kelly's work before the San Diego City Council in March 2015. Subsequent to the submission of briefs, in March 2015 the San Diego City Council considered and passed a resolution to be forwarded to the Commission, detailing the City's requests regarding issues in this proceeding. During their consideration SDG&E made a presentation to the City Council's Environment Committee regarding their phase 1 proposal. Subsequent to SDG&E's presentation UCAN held a series of meetings with provided information to members of the San Diego City Council as they considered whether to pass a resolution to the California Public Utilities Commission. At the City Council meeting on the resolution, SDG&E and UCAN, both gave comments to the Council Members regarding the issues in this proceeding. The City Council did pass the resolution and it was forwarded to the Commission.</p>	
<p>c. Allocation of hours by issue: This proceeding was divided into 2 phases. Listed below in percentage terms is the breakdown of the substantive hours (less travel and NOI and I-Comp preparation time.</p> <p>Percentage of total hours for Phase 1: 83% Percentage of total hours for Phase 2: 17%</p> <p>In addition to the breakdown by Phase UCAN is also breaking out Mr. Kelly's time spent for the following functions, excluding travel and I-comp/NOI preparation time:</p> <p>General Preparation: 43%</p> <p>Hearings: 17%</p> <p>Briefs: 20%</p> <p>Comments: 13%</p> <p>San Diego City Council Resolution on CPUC rate design proceeding: 7%</p> <p>UCAN would note that the General Preparation category includes time spent coordinating with parties, preparing, submitting and reviewing data requests,</p> <p>UCAN has also attempted to break out, in percentage terms, the time spent on the rate design issues identified below. In order to do this UCAN took a rough approximation of the pages devoted to the issues raised in our brief. To be clear, UCAN's timesheets do not breakout the hours for the rate design issues identified below and this breakdown does not</p>	<p>Verified.</p>

<p>account for general prep time, or time spent before the City Council. However, UCAN thought this estimation would be helpful for the Commission's review.</p> <p>Tiered Rate Design</p> <ul style="list-style-type: none"> - Number of Tiers & Tier differential – 18% - Customer Charge & methodology – 38% <p>Default TOU – 29%</p> <p>Extending rate design timeline 9%</p> <p>Baseline issue, opt-in TOU, and miscellaneous issues – 5%</p>	
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B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Donald Kelly	2013	8	310.00	D.14-08-027	2,480	8	\$325.00 ²	\$2,600.00
Donald Kelly	2014	229.5	335.00	D.15-07-033	76,882.5	228.5	\$335.00	\$76,547.50
Donald Kelly	2015	167.75	335.00	D.15-07-033	56,196.25	140.25 ¹ _{AJ}	\$335.00	\$46,983.75
David Croyle	2013	2.5	\$230	D.14-08-027	575	2.5	\$230.00 ³	\$575.00
David Croyle	2014	504	\$255	See comment 1	128,520	504	\$235.00 ⁴	\$118,440.00
David Croyle	2015	184	\$255	See comment 1	46,920	184	\$235.00	\$43,240.00

² Kelly's rate for 2014 was set prior to this rate. A reduction of 2%, in line with the bump from Res. ALJ-287, drops Kelly's rate to 325.00 for 2013.

³ Application of 2.0% Cost-of-Living Adjustment to Croyle's rate of \$225.00 per hour granted in D.14-08-025.

⁴ Application of Res. ALJ-303 2.58% Cost of Living Adjustment.

Subtotal: \$311,573.75						Subtotal: \$288,386.30		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Donald Kelly	2014	60	\$167.5 50% of rate		\$10,050	60	\$167.50	\$10,050.00
Donald Kelly	2015	10	\$167.5 50% of rate		\$1,675	10	\$167.50	\$1,675.00
David Croyle	2014	18	\$127.5 50% of rate	See Comment 1	\$2,295.0 0	18	\$117.50	\$2,115.00
Subtotal: \$14,020						Subtotal: \$13,840.00		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Donald Kelly	2015	19.5	167.5	D.15-07-033	3,266.25	19.5	\$167.50	\$2,486.25
Subtotal: \$3,266.25						Subtotal: \$3,266.25		
COSTS								
#	Item	Detail			Amount	Amount		
	Travel, copying, shipping and misc.	UCAN's travel and copying and mailing charges			\$8,040.6 4	\$7,393.69		
TOTAL REQUEST: \$336,900.64						TOTAL AWARD: \$312,886.20		
<p>*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>								
ATTORNEY INFORMATION								

Attorney	Date Admitted to CA BAR ⁵	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Donald Kelly	December 05, 1990	151095	No

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
1	Rate request for David Croyle. UCAN is asking that David Croyle's rate be increased from \$230 an hour that was given in D.14-08-027 to \$255 an hour. Mr. Croyle is an energy economist with 30 years experience, and he is a retired former executive with SDG&E. UCAN believes this rate is appropriate given the quality of his work, his familiarity with the rate design issues and the depth of his experience at the Commission. Not only is Mr. Croyle seeking all available COLA increases but Mr. Croyle is asking that the Commission consider that in 2010 Mr. Croyle was approved for a rate of \$225 an hour and in 2014 his rate was readjusted by only \$5 dollars to \$230 an hour.
2	UCAN had previously filed and served our original claim on September 11, 2015. (<i>see</i> docket office receipt #89893) Unfortunately UCAN's certificate of service misnamed the document that was served and there were other calculation errors and items that needed explanation in the document that needed correction. UCAN is filing this amended claim to correct those errors.

D. CPUC Disallowances and Adjustments:

Item	Reason
A	Reductions for Kelly. The Commission reduces Kelly's hours by 27.25 in 2015 for work provided to the San Diego City Council. Kelly should seek compensation from the City Council for work provided to them. Reduction of 1 hour in 2014 to Kelly for time spent mailing packages and making copies.
B	Reduction of \$396.40 for airfare costs for Kelly. UCAN for certain dates waited until one week or less prior to hearings to book flights, unnecessarily increasing costs. Reduction of \$250.55 for hotel costs for room service charges.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
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⁵ This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes
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FINDINGS OF FACT

1. UCAN has made a substantial contribution to D.15-07-001 and D.14-06-029.
2. The requested hourly rates for UCAN's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$312,886.20.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Utility Consumer's Action Network shall be awarded \$312,886.20.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall pay Utility Consumers' Action Network their respective shares of the award, based on their California-jurisdictional electric and gas revenues for the 2014 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning November 25, 2015, the 75th day after the filing of Utility Consumers' Action Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, 2015, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1507001, D1406029		
Proceeding(s):	R1206013		
Author:	ALJ Halligan		
Payer(s):	Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Utility Consumers' Action Network	September 11, 2015	\$336,900.64	\$312,886.20	N/A	Reductions for lower hourly rates, and inappropriate costs.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Donald	Kelly	Attorney	Utility Consumers' Action Network	\$310	2013	\$325
Donald	Kelly	Attorney	Utility Consumers' Action Network	\$335	2014	\$335
Donald	Kelly	Attorney	Utility Consumers' Action Network	\$335	2015	\$335
David	Croyle	Expert	Utility Consumers' Action Network	\$230	2013	\$230
David	Croyle	Expert	Utility Consumers' Action Network	\$255	2014	\$235
David	Croyle	Expert	Utility Consumers' Action Network	\$255	2015	\$235

(END OF APPENDIX)